

From: Beardsley, Kate [mailto:kebd@pge.com]

Sent: Thursday, March 19, 2009 2:34 PM

To: Knox, William@ARB

Cc: dean@intereco.com

Subject: Admin Fee

Hi Bill,

Here's the general language that I mentioned to you on the phone.

Government-mandated administrative fees and assessments imposed on utilities or their customers are routinely recovered by investor-owned electric and gas utilities through their CPUC-approved ratemaking mechanisms, including annual revisions to their rates as well as general and specific rate cases. Examples include various user fees and permit fees imposed by state regulators such as the regional water quality boards, the air districts, and the Public Utilities Commission itself. See e.g., Public Utilities Code sections 404(a) and 431, providing for administrative fees for reimbursement of costs of Public Utilities Commission. Because such fees and assessments are mandated by government, the costs are recoverable in the rates of the investor-owned public utilities. Similar fees and assessments on local publicly-owned utilities would be recoverable in rates pursuant to the ratemaking authority of the governing board of the utility.

Thanks,

Kate Beardsley

Pacific Gas and Electric Company

Telephone #: (415) 973-0163

Internal #: 223-0163

kebd@pge.com